

MidAmerican keeps promise to improve infrastructure

In \$4.1 billion upgrade, regional utility adds 1,700 miles of transmission lines

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When MidAmerican Energy Holdings Co. scooped up PacifiCorp from British Scottish Power PLC, it quickly vowed to invest in the electrical utility's outmoded infrastructure.

It might have sounded more like campaign rhetoric at the time, but the Berkshire Hathaway unit has delivered on its promise since taking control in March 2006.

In less than 20 months, the regional utility that provides electricity to 1.6 million customers in six Western states has jumped into a \$4.1 billion upgrade, adding 1,700 miles of transmission lines, including 1,200 miles of high-voltage lines to the previous 15,500 miles. In the process, Pacific Power President Patrick Reiten, said the company now has transmission lines sending energy east to west for the first time.

"We viewed it from the perspective of what would our world look like if we didn't make this investment, 10 years or 20 years from now," said Reiten during a stopover at the Mail Tribune on Tuesday. "Each new transmission line makes more economic sense now."

Locally, the Beal Lane substation on Boise Cascade Property was completed in June 2006, while work on the Campbell substation near Centennial Golf Course was finished earlier this month. In the next three years Stevens Road substation near Eagle Point is due for an upgrade, a new Humbug Creek substation will appear in the Applegate, and new transmission and distribution substations will be built in the White City area.

That will bring the number of area substations to 22, said local Pacific Power spokesman Monte Mendenhall. They cost between \$4 million and \$5.5 million to build, and the White City work will cost significantly more than that, he said.

As utilities look for new sources of electricity to augment coal-fired and natural gas-driven plants, wind has proven its worth.

MidAmerican Energy Holdings Co. President Greg Abel said the company has already exceeded early goals for its wind projects and has revamped long-term renewable efforts.

"With the federal tax credits, it's the most economical form of generation for us," Abel said. "But there is nothing out there to displace coal because of increased (electricity) demand."

Even with the promotion of green practices and efficient lifestyles, energy consumption is up 2.5 percent this past year. The cost of doing business also goes up when oil prices go up, and the price of natural gas the company uses has increased 400 percent.

"Those plasma TVs people watch use incrementally far more electricity," Abel said. "The large wind turbines that cost \$1 million to build, would cost \$2 million today, because the price of construction has gone up."

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